WASHINGTON, DC— Today, Representative Peter DeFazio voted in favor of legislation to require publicly held companies to allow shareholders to vote on whether a CEO pay package is justified.

The bill, H.R. 1257, the Shareholder Vote on Executive Compensation Act, was approved 269-134. DeFazio was also an original cosponsor of the bill.

The pay of top executives has been skyrocketing while the pay for average workers has largely been stagnant. In 2005, median CEO compensation was $13.51 million, up 16 percent from 2004 and following increases of 30 percent in 2003, 15 percent in 2002 and 9.5 percent in 2001.

The ratio of CEO pay to average worker pay was 411:1 in 2005, nearly 10 times as large as the 1980 ratio of 42:1. The ratio in 1965 was 24:1 ratio.

Average executive compensation has gone up almost 300 percent since 1990, after adjusting for inflation. The average worker has seen only a 5 percent increase the same period. Minim um wage workers have seen their pay *drop* 9 percent in real terms since 1990.

"At a time when most families struggle just to get from paycheck to paycheck, corporate executives and corporate boards have scratched each others backs in a never-ending cycle of multi-million dollar pay increases for the top brass," said DeFazio. "Even worse, these pay packages have often been divorced from performance, with executives who run their companies into the ground and get their walking papers being showered with tens or hundreds of millions of dollars to cushion the blow."

H.R. 1257 requires public companies to ensure that shareholders have an annual non-binding advisory vote on their company's executive compensation plans. It also requires an additional non-binding advisory vote if the company awards a new golden parachute package to an executive while simultaneously negotiating the purchase or sale of the company.

"Corporations are owned by the stockholders. They should not be the private piggy banks of executives or corporate board members.

This legislation will begin to shift the power out of corporate board rooms and back into the hands of the shareholders who own the company," DeFazio continued.

CEO pay has also risen faster than the stock market and corporate profits. Since 1990, the S&P 500 is up 261 percent and corporate profits are up 106 percent.

In 1993, the aggregate compensation paid to the top 5 executives of U.S. public companies represented 5 percent of company profits, by 2003, the ratio had more than doubled to 10 percent.